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REORGANIZATION PLAN NO. 18 OF 1950, BUILDING AND SPACE MANAGEMENT FUNCTIONS

MAY 18 (legislative day, MARCH 29), 1950.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in
the Executive Departments, submitted the following

R E P O R T

[To accompany S. Res. 270]

The Committee on Expenditures in the Executive Departments, to whom was referred Senate Resolution 270, expressing disapproval of Reorganization Plan No. 18 of 1950, report the resolution without recommendation. The effect of the adoption of the resolution will be to prevent Reorganization Plan No. 18 of 1950 from becoming effective.

PURPOSE

The purpose of this plan¹ is to transfer to the Administrator of General Services the functions now vested in other agencies with respect to leasing and assigning general-purpose space in buildings, and the operation, maintenance, and custody of office buildings. This proposal is aimed primarily at centralizing the responsibility for leasing, maintenance, and control of office buildings outside of the District of Columbia.

Functions transferred

(a) Responsibility for leasing (except post offices), and assignment of general-purpose space from other agencies to the General Services Administration.

(b) Excess of space not needed by post offices to the General Services Administration.

(c) Operation, maintenance, and custody of leased and Government-owned buildings to the General Services Administration (excludes post-office buildings predominantly occupied by the postal service.)

Special-purpose buildings and functions excluded

(a) Military posts, arsenals, navy yards, hospitals, etc., and other special-purpose space, unless authorized by the Secretary of Defense.

¹ The full text of Reorganization Plan No. 18 of 1950 appears in appendix A.

- (b) Post Office Department's leasing authority.
- (c) Buildings located in foreign countries.
- (d) Post Office building space used by it or leased for its purpose.
- (e) Other Government space which GSA finds is wholly or predominantly used for special purposes, such as housing, manufacturing plants, penal institutions, etc.
- (f) Treasury Building, Bureau of Engraving and Printing, buildings occupied by Bureau of Standards, and the Smithsonian Institution.

Priority

- (a) The Post Office has priority in assignment of space in its buildings.

BACKGROUND

Under existing law the General Services Administration is responsible for leasing and allocating space, custody, maintenance, and repair of Government office buildings in the District of Columbia. The responsibility for performing these functions outside of the Washington metropolitan area is now vested in other departments and agencies of the Government. The President, in his message accompanying the plan, states that he believes centralizing these functions in a single agency will improve administration through the elimination of confusion, waste, and inefficiency, and effect considerable savings in space, maintenance, personnel, and funds. The plan classifies the functions outside of the District of Columbia into those that relate to general-purpose building space; that is, space which is suitable for use by a number of Federal agencies, and special-purpose space. Under the special-purpose classification is included buildings on military posts, arsenals, navy yards, hospitals, laboratories, factories, and other similar installations.

The assignment of space in Government-owned buildings outside of Washington is divided among many agencies. While the Public Building Service constructs a large part of the Government buildings, it operates and controls the assignment of space in only a small portion of them. The Post Office Department operates and allocates the space in post-office buildings, several hundred of which contain substantial amounts of office space available for other agencies. During and immediately after the war several other Federal agencies acquired office buildings in the field. As their activities diminished, surplus space in many of these structures became available for other use. Since there was no central clearing house available in the field to equitably allocate the space, excessive space was occupied by some agencies or it remained unoccupied, while others were going into the open market to procure high-cost space to meet their requirements.

This plan excluded the leasing functions now vested in the Post Office Department and such space which is used by that Department for postal service. This exclusion is intended to safeguard the interest of the Post Office Department by giving it priority on all space under its jurisdiction, while at the same time making it possible to release such space as is in excess of its needs. In other words, if a postal building is predominantly used by that Department its custody and control would remain under the Department; but, if only a portion of the building is used for the postal service, the remainder of the building would be allocated to the General Services Administration for

assignment, maintenance, and upkeep. Under this arrangement it is anticipated that insofar as the cost of operating the postal system is concerned a reduction will be made because these nonpostal expenses are now charged against postal revenues.

A recent survey conducted by the Public Buildings Service of the General Services Administration shows that as of September 30, 1949, 11,088,000 square feet of Government-owned office space outside of the District of Columbia was under the control of various agencies, representing approximately 58 percent of the total space in field offices. In addition, the Government leased over 11,000,000 square feet of space now under the control of various agencies. This represents over 54 percent of the total space leased by the Government. A tabulation of space in the postal buildings located in major cities throughout the country shows that, of the total space available, from 51 percent to 90 percent is now used for nonpostal purposes. Under this plan, the space which is excess to the needs of the post offices would be transferred to the General Services Administration.

SUMMARY

(a) Approval of this plan will make possible better utilization of Government space, reduction in personnel, appropriations, and space requirements.

(b) Centralized control should reduce confusion and facilitate coordination of the Government's space requirements with proper centralized administration responsibility.

(c) The plan is in accord with the spirit and intent of the Federal Property and Administrative Services Act of 1949.

HOOVER COMMISSION RECOMMENDATIONS

This plan is in conformance with the Hoover Commission's recommendation No. 6 on Office of General Services (pp. 10-11, Rept. No. 3).

The committee held hearings on the subject resolution on Tuesday, May 16, at which the following witnesses appeared in opposition to the resolution: Charles Stauffacher, Assistant Director, Bureau of the Budget; Vincent Burke, Acting Postmaster General, Post Office Department; Jess Larson, Administrator of General Services Administration; W. E. Reynolds, Commissioner of Public Buildings, Public Buildings Administration; and Ismar Baruch, Chief, Personnel Classification Division, Civil Service Commission.

Witnesses appearing in support of the resolution of disapproval included Senator Olin D. Johnston, of South Carolina, and chairman of the Senate Committee on Post Office and Civil Service, who represented the entire membership of that committee; Ross A. Messer, legislative representative, National Association of Post Office Maintenance Employees; Jesse V. Horton, first vice president, National Association of Postal Supervisors; R. M. Lovelady, legislative representative, American Federation of Government Employees; and Thomas G. Walters, operations director, Government Employees Council, American Federation of Labor.

Witnesses who testified in favor of the resolution of disapproval maintained that the plan should be rejected for the following reasons:

- (1) Employees transferred to the General Services Administration from

the Post Office Department would receive reductions in pay ranging from \$20 to \$740 per annum; (2) such employees would lose all accumulated sick leave in excess of 90 days; (3) would hereafter be prohibited from accumulating sick leave in excess of 90 days; and (4) would lose many of their longevity benefits.

Since this plan was submitted to Congress the Civil Service Commission issued two regulations designed to overcome these objections. The first order, issued April 1, 1950, provides in part that so long as the employees remain in the same position no reduction in pay will be made, and that such employees as are transferred from a postal grade which is less than the minimum comparable grade of the classified civil service, he would be increased to the minimum, with no reductions in pay. Another regulation, issued April 5, 1950, provides that when employees are transferred from the postal service to any other branch of Government because of a transfer of functions authorized by law and whose sick leave is different from that authorized by the Classification Act of 1949, such employees may transfer a maximum of 90 days accrued sick leave. Accumulated annual leave would be paid to such employed.²

On April 5, 1950, House Resolutions 539 and 541 were introduced in the House of Representatives to disapprove Reorganization Plan No. 18 of 1950. Extensive hearings were held on these resolutions, at which numerous witnesses testified for and against the plan. The committee rejected the resolutions by an overwhelming vote. It was revealed during the hearings that if this plan became effective postal maintenance and custodial employees who are transferred to GSA would receive the following benefits:

- (a) Increase of annual leave from 15 to 26 days per annum.
- (b) Increase of sick leave from 10 to 15 days per annum.
- (c) Employees under the Classification Act of 1949 reach the maximum grade by in-grade promotion in 9 years instead of 15 years as is required under the Postal Classification Act.
- (d) Employees transferred will be paid in cash for their accrued annual leave.

Postal employees affected by the plan supported the resolution for the following reasons:

(1) Federal post-office buildings throughout the country were designed primarily for post-office purposes and the upper floor space which has been assigned to other Government departments is only incidental;

(2) Postal custodial employees perform not only cleaning and janitor services, but also maintain the heating and lighting systems, repair and maintenance of facing tables, canceling machines, and other postal equipment;

(3) That it would be inadvisable to admit other Government employees to postal workrooms for security reasons;

(4) Should this plan become effective the postal service would suffer because of confusion and delay incident to maintaining custodial employees in the building who are not under the direct supervision of the post office; and

² See appendixes B and C for civil-service regulations issued April 1 and April 5, 1950.

(5) Postal employees transferred under the plan will lose some advantages in pay status.

Senator Johnston, in testifying in behalf of the Senate Committee on Post Office and Civil Service, contended that the plan was objectionable because it would destroy the morale of the postal workers and would effect no great efficiencies or economies, that the proposed transfer would place jurisdiction over post-office equipment by employees with little or no knowledge of its operations and maintenance, and that such action would be detrimental to efficient postal operations. Senator Johnston also stated that—

To insure the utmost protection of mail, the postal regulations prohibit the admission to post-office workrooms of anyone except postal employees on duty. To admit custodial employees of another agency, not under control of the Post Office, would violate the sanctity and security of the mails. Guards in post-office lobbies and at other places of potential danger of robbers or other illegal acts are now postal custodial employees and if placed under another agency their value in protecting mail and funds would be greatly lessened.

Witnesses stated that should the plan become effective it would involve approximately a total of from 90 to 110 post-office buildings located in the larger cities throughout the United States, the transfer of approximately 4,000 employees with payrolls totaling in the neighborhood of \$12,000,000, and that, under the plan, this cost would be transferred from the Post Office Department to the General Services Administration.

Jess Larson, General Services Administrator, maintained that the Public Buildings Administration was thoroughly familiar with the post office service and equipment and that the transfer of these functions to the General Services Administration would in no way interfere with the safety of the mails. He pointed out that the Public Buildings Administration was authorized under existing law to perform services in buildings now occupied by the Department of Defense, the Atomic Energy Commission, and other Federal agencies which conduct highly secretive and security operations, and that these employees would be as competent to carry on the operations in the post-office buildings placed under the jurisdiction of GSA in a manner equally as efficient as the present maintenance and custodial employees of the Post Office Department.

Mr. Larson also maintained that savings could be effected through the transfer proposed under Reorganization Plan No. 18 due to the existing duplication in advisory personnel and the allocation of space to Federal agencies in such buildings on a more equitable basis in conformity with such allocations in other Federal buildings. He further testified that this plan would be effective in the implementation of the space-management program authorized under the Federal Property and Administrative Services Act of 1949, and permit better utilization of space in Federal office buildings, thereby reducing the amount of rental space.

APPENDIX A

[H. Doc. No. 523, 81st Cong., 2d sess.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING REORGANIZATION PLAN NO. 18 OF 1950 PROVIDING FOR THE TRANSFER TO THE ADMINISTRATOR OF GENERAL SERVICES THE FUNCTIONS OF THE VARIOUS FEDERAL AGENCIES WITH RESPECT TO LEASING AND ASSIGNING GENERAL PURPOSE SPACE IN BUILDINGS AND THE OPERATION, MAINTENANCE, AND CUSTODY OF OFFICE BUILDINGS

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 18 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. The plan transfers to the Administrator of General Services the functions of the various Federal agencies with respect to leasing and assigning general-purpose space in buildings and the operation, maintenance, and custody of office buildings. Since such authority is already largely concentrated in the General Services Administration with respect to the District of Columbia, the plan principally relates to the administration of these functions in the field.

The transfers made by this plan will promote more economical leasing, better utilization of building space, and more efficient operation of Government-controlled office buildings. They will effectuate the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to concentrating in the General Services Administration the responsibility for space allotment and the operation of Government buildings outside of the District of Columbia. Likewise, they will extend the principles laid down by the Congress in enacting the Federal Property and Administrative Services Act of 1949 to another important area of Government-wide administrative services—the administration of Government office buildings and general-purpose building space in the field.

Within the District of Columbia, one agency, the Public Buildings Service of the General Services Administration, has long had the operation and custody of most Government buildings and the leasing and assignment of space for executive agencies. Thus, nearly all requests for building space are handled by a single organization which is responsible for seeing that agencies are properly and efficiently housed. This arrangement has proved its worth and has repeatedly been approved by the Congress.

Outside of the National Capital, however, responsibility for the acquisition and control of building space and the operation of Government buildings is widely diffused. A variety of agencies operate and control general-purpose buildings. If quarters are not available in Federal buildings, each agency ordinarily does its own leasing. As a result, in some cases Federal agencies have contracted for space at high rentals at the very time that other agencies have been giving up surplus low-cost space.

The assignment of space in Government-owned buildings outside of Washington is also divided among a number of agencies. While the Public Buildings Service constructs a large part of the Government buildings, it operates and controls the assignment of space in only a small proportion of them. The Post Office Department operates and allocates the space in post-office buildings, several hundred of which contain substantial amounts of office space available for other agencies. During and immediately after the war several other Federal agencies acquired office buildings in the field. As their activities have contracted, surplus space in many of these structures has become available for other uses.

This plan concentrates in the General Services Administration the responsibility for the leasing and assignment of what is termed general-purpose building space; that is, space which is suitable for the uses of a number of Federal agencies. It specifically excludes space in buildings at military posts, arsenals, navy yards, and similar defense installations and space in hospitals, laboratories, factories, and other special-purpose buildings.

Also, the plan excludes the Post Office Department from the transfer of leasing authority since the Department has a highly developed organization for this purpose, and it limits the transfer of space assignment authority in post-office buildings to the space not occupied by the Department. Further, it gives the needs of the Post Office Department priority in the assignment of space in post-office buildings. Thus, the plan amply safeguards the interests of the Post Office Department while making it possible to include the general office space in post-office buildings in any given city with other similar space under Federal control.

in planning and executing an efficient program for housing Government agencies in that area.

In addition, the plan transfers to the General Services Administration the operation, maintenance, and custody of office buildings owned or leased by the Government, including those post-office buildings which are not used predominantly for post-office purposes. This will make it possible to establish a single organization for the operation and maintenance of Government office buildings in principal cities in the field as has proved desirable in the National Capital. Since many post offices are in fact primarily large office buildings, the plan includes in this transfer the post-office buildings which are not used predominantly for post-office purposes. This will relieve the Post Office Department of a considerable expenditure for building operation and maintenance which properly should not be charged against postal revenues.

While the plan effects a broad transfer of functions with respect to leasing and assignment of space and the operation and maintenance of office buildings, it specifically authorizes the Administrator of General Services to delegate the performance of any part of these functions to other agencies subject to such regulations as he deems desirable for economical and effective administration. In this the plan follows the pattern adopted by the Federal Property and Administrative Services Act of 1949 for other branches of property management. In large urban centers where numerous Federal units are located unified administration of space activities by the General Services Administration will normally be advantageous. On the other hand, in the smaller communities it will no doubt be desirable to delegate the work back to the agencies directly affected, to be carried on under standards laid down by the Administrator of General Services. The plan provides ample flexibility for working out the most effective administrative arrangement for each type of situation.

The fundamental soundness and economy of centralized administration of building space have been amply demonstrated in the National Capital. By virtue of unified control it has been possible since the war to accomplish far-reaching changes which have consolidated agencies in much fewer locations, released many of the rented buildings, and greatly reduced the cost of housing the Government establishment. Similar procedures applied in the larger centers of field activity should produce substantial savings.

After investigation, I have found, and hereby declare, that each reorganization contained in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

While it is not possible at this time to calculate the reduction in expenditures which will result from this plan, it can safely be predicted that it will produce substantial savings. I am confident that this reorganization plan will constitute a significant improvement in Federal business practice and will bring about an important increase in efficiency in housing Government agencies.

HARRY S. TRUMAN.

THE WHITE HOUSE, March 18, 1950.

REORGANIZATION PLAN No. 18 OF 1950

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, March 18, 1950, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

BUILDING AND SPACE MANAGEMENT FUNCTIONS

SECTION 1. *Transfer of space assignment and leasing functions.*—All functions with respect to acquiring space in buildings by lease, and all functions with respect to assigning and reassigning space in buildings for use by agencies (including both space acquired by lease and space in Government-owned buildings), are hereby transferred from the respective agencies in which such functions are now vested to the Administrator of General Services, exclusive, however, of all such functions with respect to—

- (a) space in buildings located in any foreign country;
- (b) space in buildings which are located on the grounds of any fort, camp, post, arsenal, navy yard, naval training station, airfield, proving ground, military supply depot, or school, or of any similar facility, of the Department of Defense, unless and to such extent as a permit for its use shall have been issued by the Secretary of Defense or his duly authorized representative;
- (c) space occupied by the Post Office Department in post-office buildings and space acquired by lease for post-office purposes; and

(d) space in other Government-owned buildings which the Administrator of General Services finds are wholly or predominantly utilized for the special purposes of the agency having the custody thereof and are not generally suitable for the use of other agencies (including but not limited to hospitals, housing, laboratories, mints, manufacturing plants, and penal institutions), and space acquired by lease for any such purpose:

Provided, That the space needs of the Post Office Department shall be given priority in the assignment and reassignment of space in post-office buildings.

SEC. 2. *Transfer of office building management functions.*—All functions with respect to the operation, maintenance, and custody of office buildings owned by the Government and of office buildings or parts thereof acquired by lease, including those post-office buildings which, as determined by the Director of the Bureau of the Budget, are not used predominantly for post-office purposes, are hereby transferred from the respective agencies in which now vested to the Administrator of General Services, exclusive, however, of all such functions with respect to—

(a) any building located in any foreign country;

(b) any building located on the grounds of any fort, camp, post, arsenal, navy yard, naval training station, airfield, proving ground, military supply depot, or school, or of any similar facility, of the Department of Defense, unless and to such extent as a permit for its use by another agency or agencies shall have been issued by the Secretary of Defense or his duly authorized representative;

(c) any building which the Administrator of General Services finds to be a part of a group of buildings which are (1) located in the same vicinity, (2) are utilized wholly or predominantly for the special purposes of the agency having custody thereof, and (3) are not generally suitable for the use of other agencies; and

(d) the Treasury Building, the Bureau of Engraving and Printing Building, the buildings occupied by the National Bureau of Standards, and the buildings under the jurisdiction of the regents of the Smithsonian Institution.

SEC. 3. *Performance of transferred functions.*—(a) The Administrator of General Services may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the General Services Administration of any function transferred to such Administrator by the provisions of this reorganization plan.

(b) When authorized by the Administrator of General Services, any function transferred to him by the provisions of this reorganization plan may be performed by the head of any agency of the executive branch of the Government or, subject to the direction and control of any such agency head, by such officers, employees, and organizational units under the jurisdiction of such agency head as such agency head may designate: *Provided*, That functions with respect to post-office buildings shall not be delegated under the authority of this subsection to the head of any agency other than the Postmaster General.

(c) The Administrator of General Services shall prescribe such regulations as he deems desirable for the economical and effective performance of the functions transferred by the provisions of this reorganization plan.

SEC. 4. *Transfer of personnel, property, records, and funds.*—There shall be transferred from time to time, between the agencies concerned and for use in connection with the functions transferred by the provisions of this reorganization plan, so much of the personnel, property, records, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds, relating to such functions, as may be necessary for the performance of said functions. Such further measures and dispositions as the Director of the Bureau of the Budget shall determine to be necessary in order to effectuate the transfers provided for in this section shall be carried out in such manner as the Director shall direct and by such agencies as he shall designate.

SEC. 5. *Effective date.*—The provisions of this reorganization plan shall take effect on the 1st day of July 1950.

APPENDIX B

PART 25—FEDERAL EMPLOYEES' PAY REGULATIONS

SUBPART B—GENERAL COMPENSATION RULES

1. Effective 30 days after publication in the FEDERAL REGISTER, § 25.103 of this subpart is amended by the addition of paragraph (d) as set out below.
§ 25.103 *General provisions.* * * *

REORGANIZATION PLAN NO. 18 OF 1950

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(d) Where an employee occupies a position not subject to the Classification Act, and the employee together with his position is initially brought under the Classification Act of 1949 pursuant to the Reorganization Act of 1949 or other legislation, an Executive order of the President, or decision of the Civil Service Commission under section 203 of the Classification Act of 1949, the provisions of § 25.104 (b) (1) to (5), inclusive, shall apply in determining the employee's initial rate of basic compensation. This provision shall apply only so long as the employee continues to occupy the same position.

(1) The rate of basic compensation of a subsequent appointee to such position shall be fixed in accordance with the other applicable provisions in this subpart.

2. Section 25.104 of this subpart is amended by deleting "802" from the first sentence of paragraph (b). This change is retroactively effective as of the first day of the first pay period following enactment of the Classification Act of 1949. As amended, paragraph (b) reads as follows:

§ 25.104 *Special provisions.* * * *

(b) Under the authority of sections 1101 and 1105 (b) of the Classification Act of 1949, establishment of initial salary rates of basic compensation for employees who on an effective date specified by the Commission under section 1105 (b) of the Classification Act of 1949 occupy positions under that act which immediately prior to October 28, 1949, were exempt from the Classification Act of 1923, as amended (including positions in grade 9 of the professional and scientific service or in grade 16 of the clerical, administrative, and fiscal service referred to in section 13 of such act), shall be as follows:

(1) If the employee is receiving a rate of basic compensation less than the minimum scheduled rate of the grade in which his position is placed, his compensation shall be increased to the minimum rate.

(2) If the employee is receiving a rate of basic compensation within the range of salary prescribed for the grade in which his position is placed, at one of the rates fixed therein, no change shall be made in his existing rate.

(3) If the employee is receiving a rate of basic compensation within the range of salary prescribed for the grade in which his position is placed, but not at one of the rates fixed therein, his compensation shall be increased to the next higher rate.

(4) If the employee is receiving a rate of basic compensation in excess of the maximum scheduled rate for the grade in which his position is initially placed, no change shall be made in his existing rate.

(5) After salary rates have been initially established, an employee may subsequently receive an increase in compensation by reason of the operation of Titles V and VII, section 802 (b) of Title VIII, or Title X. An employee whose salary was initially established under the foregoing provisions in a position which is later changed to a lower grade without material change of duties and responsibilities, shall be paid at the rate he received immediately prior to the date his position became subject to the act, or at a higher rate authorized by the provisions of § 25.103.

(6) The rate of basic compensation of a subsequent appointee to such position shall be fixed in accordance with the other applicable provisions in this subpart.

(Sec. 1101, Pub. Law 429, 81st Cong.)

[SEAL]

UNITED STATES CIVIL SERVICE COMMISSION,
HARRY B. MITCHELL, Chairman.

[F. R. Doc. 50-2730; Filed, Mar. 31, 1950; 8:56 a. m.]

APPENDIX C

PART 30—ANNUAL AND SICK LEAVE REGULATIONS

TRANSFER FROM POSITION NOT WITHIN PURVIEW OF LEAVE ACTS TO POSITION
WITHIN PURVIEW OF LEAVE ACTS

Effective 30 days after publication in the FEDERAL REGISTER, § 30.410 is amended by the addition of paragraph (d) as follows:

§ 30.410 *Transfer from position not within purview of leave acts to position within purview of leave acts.* * * *

(d) Whenever any employee in the Postal Service or in any other agency or position whose sick leave is not governed by the regulations in this part is transferred to any agency or position which is subject to the regulations in this part and

the transfer of such employee is an incident to a transfer of function made by or under authority of law, there shall be transferred with the employee the accumulated and current accrued sick leave standing to the credit of such employee at the time of transfer. The amount of any sick leave so transferred shall not exceed 90 days.

(See, 7, 49 Stat. 1162; 5, U. S. C. 30a. E. O. 9414, Jan. 13, 1944, 9 F. R. 623, 3 CFR, 1944 Supp.)

UNITED STATES CIVIL SERVICE
COMMISSION,
HARRY B. MITCHELL, *Chairman.*

[SEAL]

[F. R. Doc. 50-2820; Filed, Apr. 4, 1960; 8:52 a. m.]